



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

February 9, 2010

Mr. Jeff Robinson
Executive Director, Quality & Regulatory Affairs
Ampac Fine Chemicals, LLC
P. O. Box 1718
Rancho Cordova, CA 95741

Dear Mr. Robinson:

RE: FINAL MONITORING REPORT for Ampac Fine Chemicals, LLC – ET08-0276

Date of the Visit:	November 18, 2009
Beginning/Ending Time:	1:30 p.m. – 3:30 p.m.
Date of Last Visit:	12/12/07
Visit Location:	Ampac Fine Chemicals LLC, Rancho Cordova, CA
Persons in Attendance:	Danica Johnson, Human Resources Analyst; Jim Adams, Supervisor, Ampac Fine Chemicals; William Sacks, VP Operations, National Training Co.; Jonathan Daunt, ETP Analyst
Action Required:	No*

CONTRACT INFORMATION:

Term of Agreement:	11/19/2007-11/18/2009	Agreement Amount:	\$334,512
Training Start Date:	11/19/2007	Number of Trainees to Retain:	220
Date Training must be Completed:	08/18/2009	Range of Hours:	24–200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	Job 1: 82 Job 2: 116

PROJECT SUMMARY:

Chronology: The agreement was executed on November 30, 2007, although the contractor had been permitted to begin as early as November 19. All training was completed on or by August 18, 2009, allowing for the 90-day retention period to be completed on or before the agreement term end date of November 18, 2009.

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ETP (04/15/05)

Agreement Changes: Not applicable. There were no amendments, modifications, or technical changes to the agreement.

Interview With the Contractor's Designated Representatives:

During the meeting, the ETP Analyst asked a series of questions designed to elicit feedback as to how Ampac Fine Chemicals fared under the contract, summarized as follows:

- *What barriers, if any, did your company experience in implementing your ETP project?*

Contractor representatives stated that the primary barriers were changing business conditions and the state of the economy. Less training was needed than had originally been anticipated, due to the downturn in economic conditions that began during the term and continued.

- *What problems, if any, did your company experience with ETP record keeping?*

The Ampac representatives stated that record keeping was not a problem.

- *What assistance could ETP have provided that would improve the process for future Contractors?*

The representatives expressed hope that more direction, advice, and/or instruction might be available concerning how training content in specific courses conforms to ETP's general curriculum requirements.

- *How did your company benefit from the ETP training?*

The representatives emphasized that the company's implementation of an ETP-funded training program encouraged Ampac to do training. Because of the training program, Ampac instituted a company-wide training program as part of the general course of doing business, thus initiating, as a result of the ETP-supported training program, what representatives describe as a new culture of continuous improvement through ongoing training.

PROJECT STATUS:

Trainees Enrolled:	283	No. Invoices Submitted:	3
Trainees Started Training:	283	Completed Training:	Unknown*
Dropped Following Enrollment:	0	In Retention Period:	0
No. Completed Minimum Reimbursable Hours:	50	Completed Retention:	Unknown*

* **Recommendation:** Currently, due to the fact that additional data for this project may be outstanding, the figures shown below are provided as cautionary information, in that if no further data are submitted, no more, and possibly less, than \$35,075 can be reimbursed to the contractor. This falls far short of the maximum dollar amount of \$334,512 originally approved.

The recommendation is that this Agreement remain fiscally open allowing for future data input and invoicing, but for no more than 30 days after receipt of this document.

Enrolled:	283	Paid to Date:	\$35,075
Placed:	0	Earned – Approved:	\$0
Dropped:	0	Unearned:	\$35,075
Active:	283	Closeout Date:	Pending

ADDITIONAL INVOICES TO BE SUBMITTED:

At this point Ampac Fine Chemicals is in danger of forfeiting a portion of funding that would otherwise be earned, because additional invoices need to be submitted to ETP. To date, the company has received only \$35,075.25 in unearned progress payments, out of a maximum dollar amount of \$334,512. If no additional invoicing is not done, the company may be required to refund to ETP these progress payments, with interest, as stipulated in Section III (various subsections) of the agreement (ET08-0276), and in Section IV.G.

ATTENDANCE ROSTERS:

During this visit, the ETP analyst randomly selected and reviewed the attendance records of 35 trainees who had completed at least the minimum number of required training hours. The review of the training records revealed that they were completed correctly and complied with ETP record keeping requirements.

Please be advised that these findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Further that it is your responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes. [Reference: Title 22 California Code of Regulations, Section 4442)]

SUBAGREEMENTS:

Ampac Fine Chemicals retained National Training Company, Inc., of Irvine, California, as the administrative subcontractor for this contract.

LOCATION(S) OF TRAINING:

Training under this agreement was provided at the Ampac Fine Chemicals site in Rancho Cordova, California.

AUDIT:

Ampac Fine Chemicals, LLC, will be notified, in writing, if this agreement is selected at a future time for an audit, conducted either at a Ampac Fine Chemicals site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide documented support of training, original training

attendance documentation is required (i.e. rosters); photocopied rosters or other records are not acceptable. Listed below are types of records typically requested during an ETP audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Jonathan Daunt at 916.327.5465 or jdaunt@etp.ca.gov within ten (10) working days from receipt of this report.

Sincerely,



Rosa Hernandez, Manager
Sacramento Regional Field Office



Jonathan Daunt, Program Analyst
Sacramento Regional Field Office

cc: Danica Johnson, HR Analyst, Ampac Fine Chemicals, danica.johnson@apfc.com
William Sacks, Vice President Operations, National Training Company,
Kulbir Mayall, Manager, Fiscal and Certification, ETP
Master File
Project File